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AID TO DEMOCRACY ABROAD IS WEIGHED

Reagan Plan Would Be Aimed Mainly at the Third World

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WASHINGTON, May 29 — President Reagan is expected to announce plans soon for a quasi-governmental program aimed at promoting democracy in developing countries and, where possible, in Communist nations, White House officials said today.

The officials said Mr. Reagan was likely to make the announcement in a speech in London on June 8 during a projected trip to Western Europe.

The initiative was said to be aimed at fostering democracy in the third world through open financing of political parties, labor unions and newspapers.

Officials involved in the project said it was intended to place political aid to developing countries on the same level as military and economic aid.

"We are not embarrassed by providing millions of dollars in guns and butter," one official said. "Why should we shrink from giving money to back up democratic forces as well?"

Planning for the project has been going on for six months, officials said, and is the product of ideas developed not only in the State Department and the White House, but also in the national committees of the Republican and Democratic parties, the A.F.L.-C.I.O. and the Chamber of Commerce.

The first step would be a six-month study estimated to cost \$400,000 to assess what the United States should do specifically and to recommend what institutions should be created to carry out the objectives, officials said.

The initial study, to be privately financed, would be handled by the American Political Foundation, a Washington group whose directors include the leaders of the Republican and Democratic National Committees.

Congress, which would be asked to provide money to augment private funds, would have oversight powers, but responsibility for the project would be in the private sector to avoid the appearance that it is a United States Government undertaking.

Until now, American financing of democratic forces abroad has been small, except for A.F.L.-C.I.O. assistance to labor unions. The Central Intelligence Agency has provided covert aid to political parties and newspapers, but and an official said agency involvement was now small.

The goals of the new program were outlined in a memorandum sent to non-governmental groups to solicit their support. A foundation provided details of the memo, which said:

"Though there is a general consensus of Americans that the opportunities for international peace, justice, and prosperity would be enhanced if more governments would be democratic, the United States has few programs or institutions devoted to development of democratic forces overseas — free political parties, trade unions, newspapers and enterprises. This is a proposal how to create such programs."

'Utmost Care' Is Urged

Cautioning that "establishing such programs would require the utmost care," the memo went on:

"Those managing the program must know the international political environment in which they are working, and have a clear idea of what they intend to accomplish. The programs must be free of implication that they are being run by the United States Government, yet they must avoid compromising United States national interests and policies."

"They must be broadly representative of the democratic commitment of American society, yet must not be subject to embroilment in partisan domestic controversies. They must have access to substantial government funding without being vulnerable to alternations of party control and policy. They must have access to substantial private funding without appearing to be the instruments of narrow segments of society."

Foundation Fears 'Boondoggle'

An officer of the foundation that made the memo available said the group was skeptical because the proposed program seemed to be a "boondoggle."

Government officials involved in the project say it would be a way of blocking dictatorships of the left and right.

As an example, they cite the work of the foundations associated with West Germany's political parties. These

foundations are financed by government and the private sector and support democratic forces abroad. They are given credit for helping the Socialists in Portugal win a test over the Communists after the overthrow of the right-wing dictatorship in 1974.

Secretary of State Alexander M. Haig Jr., who recommended the project, said in a speech last month:

"Just as the Soviet Union gives active support to Marxist-Leninist forces in the West and the South, we must give vigorous support to democratic forces wherever they are located, including countries which are now Communist."

"We should not hesitate to promote our own values, knowing that the freedom and dignity of man are the ideals that motivate the quest for social justice. A free press, free trade unions, free political parties, freedom to travel and freedom to create are the ingredients of the democratic revolution of the future, not the status quo of a failed past."

Communist Aspect Controversial

The most controversial part of the projected program is the help that might be given to promote democracy in Communist countries, officials said, and the planned study is supposed to go into that question at length.

The A.F.L.-C.I.O. has helped the Solidarity free trade union in Poland and it is assumed that aid like that would be handled by the new government-supported program.

It is also expected to play a role in El Salvador and Guatemala, where democratic forces are under attack from both the right and the left, and in Nicaragua, where a free press operates under a Marxist government.

In addition to announcing the new democracy-support program on his European trip, Mr. Reagan is also expected to publicize plans for government aid to double the exchange of young people 15 to 19 years old among the democratic countries.

About 2,000 American teen-agers are now studying in Britain, Canada, France, West Germany, Italy and Japan under this youth-exchange program, and about 3,200 students from those countries are in the United States. The foreign study trips of the Americans are now being financed privately.